

**Questions and Answers About the Proposed Tax Increase
11/30/2021**

1. What is the millage rate Collegeville Borough currently charges, how much is the average homeowner's borough taxes, and how much will my tax increase be?

The borough's millage rate is 4.2 for the general-purpose tax plus 1.0 for the Fire Tax for a total millage of 5.2. With a 1 mil tax increase in 2022, Collegeville's millage rate would be 6.2. See the chart below for average tax rates and how much the tax increase would be.

ADDRESS	ASSESSMENT	MARKET VALUE	2021 TAX	INCREASE
Freeland Dr	\$183,470	\$410,973	\$954	\$183
Shakespeare Dr	\$225,060	\$504,134	\$1,170	\$225
Clahor Ave	\$130,800	\$292,992	\$680	\$131
6 th Ave	\$141,020	\$315,885	\$773	\$141
Park Ave	\$140,570	\$314,877	\$731	\$141
Independence Ct	\$124,780	\$279,507	\$649	\$125
Carmen Dr	\$143,840	\$322,202	\$748	\$144
Addison	\$217,560	\$487,334	\$1,131	\$218

2. What is the history of Collegeville's tax increases? How often have you increased taxes?

Taxes remained unchanged at 4 mills from 2009-2016. Taxes were increased .4 mill in 2017 to help pay for the 11th Ave. culvert loan. But then the general fund taxes were decreased by .5 mill in 2018 to offset the implementation of the 1 mill fire tax. Taxes were increased in 2020 by .3 mill to fund increasing costs such as the rising rate of the trash contract and the salt shed property purchase.

3. Where does the amount that Collegeville charges for taxes fall when compared to other nearby boroughs and townships? Are we lower or higher?

With an addition of a 1 mil tax, Collegeville's tax rate would then be 6.2

The average millage for Boroughs in Montgomery County is about 7.1. Some towns are much higher, and others are lower. Obviously, towns such as Upper Providence with large corporations can keep their municipal millages low at 1.2. So can towns which offer no police and bare bones services, such as Trappe, with millage of .97

A comparison of a similar sized towns to Collegeville with a police force and minimal commercial taxes would be:

- Royersford 10.2
- Schwenksville 7.4

- Souderton 5.95
- Telford 6.74

Here is a more extensive list:

Nearby Tax Rates			Borough Tax Rates			
Collegeville	5.2		Collegeville	5.20	Ambler	7.86
Lower Providence	2.3		Trappe	0.98	North Wales	5.50
Norristown	16		Royersford	10.20	Bridgport	4.50
Royersford	10.2		Schwenksville	7.40	Bryn Athyn	12.23
Schwenksville	7.4		Pottstown	13.54	Narberth	10.86
Trappe	0.97		Lansdale	5.75	Rockledge	9.86
Limerick	2.593		Red Hill	2.70	Jenkintown	8.55
Perkiomen	0.62		Green Lane	2.00	Hatboro	9.78
Skipack	0.32		Norristown	16.00	Souderton	5.50
Upper Providence	1.25		Telford	6.75	Rockledge	8.85

4. What is different now with this Council that you need a tax increase?

What is different now is that we are currently facing structural and maintenance challenges that we cannot continue to ignore.

We must:

- Meet the requirement of PA DEP for our stormwater permit to install pollution control measures by 2023. (Although the majority Republican Council voted to approve the pollution control measures back in 2017, no money was ever set aside to comply with the mandate, which will cost a minimum of \$100,000)
- As a result of our engineering firm’s culvert inspection, we must replace the 8th Ave. culvert as soon as possible and make repairs to the 6th and 5th Ave. culverts.
- Repair and replace our storm inlets/drains to keep them in working order
- Step up our maintenance of our borough roads. It costs around \$200-250,000 to mill and overlay a mile of roadway. We should strive to do about a mile and a half in road repair/repaving each year.

5. Why don’t you float a bond or take out a low-interest loan?

If we float a bond or take out a low-interest loan, we then will not have the funds in the borough budget to make the monthly payments. We would still have to raise taxes to do so, and we would also have to pay the additional interest rate.

6. In 2016 to replace the 11th Ave. culvert, you took out a low interest loan. Why can’t you just do that again?

We still have five years left to pay off about \$250,000 of that loan at \$50,000 a year. What you are doing when you take out a loan rather than paying for maintenance as you go is that you are using future tax dollars to pay for an older structure that is continually depreciating. We need to

build up our cash reserves to anticipate future expenses, not constantly fall behind and take out more loans that are paid for with future dollars.

7. Why can't you just get grants for your infrastructure needs? Have you tried?

The borough will receive a total of \$541,558.00 from The Cares Act for 2021 and 2022. Fortunately, we can use that money for our culvert project. We will also look for any grants that might apply to the culverts or any of our other infrastructure. But in general, grant money is made available only for new projects, not repairs of existing structures. This is because the county, state and federal government want to simulate the local economies and create new jobs with the funding.